



General Assembly

February Session, 2010

***Raised Bill No. 5141***

LCO No. 666

\*00666\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

***AN ACT CONCERNING THE HANDLING OF PROPERTY CLAIMS AND  
REPAIR OR REMEDIATION WORK.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Section 38a-723 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2010*):

3 As used in this title, unless the context or subject matter otherwise  
4 requires, "public adjuster" means any person, partnership, association,  
5 limited liability company or corporation who or which practices as a  
6 business the adjusting of loss or damage by fire or other hazard under  
7 any policies of insurance [in] on behalf of the insured under such  
8 policies, or who advertises or solicits business as a public adjuster, or  
9 holds himself out to the public as engaging in such adjusting as a  
10 business. Lawyers settling claims of clients shall not be deemed to be  
11 [insurance] public adjusters.

12 Sec. 2. Section 38a-724 of the general statutes is repealed and the  
13 following is substituted in lieu thereof (*Effective October 1, 2010*):

14 (a) The use of an employment contract between a public adjuster

15 and [a client] the insured shall be mandatory. Such contract shall  
 16 contain a provision specifying that the [client] insured may cancel the  
 17 contract, provided [he] such insured notifies the public adjuster at [his]  
 18 such public adjuster's main office or branch office at the address  
 19 shown in the contract, by certified mail, return receipt requested,  
 20 posted not later than midnight of the second calendar day after the day  
 21 on which the [client] insured signs the contract, except that if the  
 22 signing is on a Friday, Saturday or Sunday, the cancellation shall be  
 23 posted not later than midnight of the Tuesday immediately following,  
 24 and thereafter the contract shall be void ab initio.

25 (b) Only a public adjuster who has contracted with the insured as  
 26 set forth in subsection (a) of this section shall (1) prepare or submit a  
 27 claim for loss or damage by fire or other hazard to the insurer on  
 28 behalf of the insured, or (2) negotiate such claim with the insurer on  
 29 behalf of the insured.

30 Sec. 3. Section 38a-313a of the general statutes is repealed and the  
 31 following is substituted in lieu thereof (*Effective October 1, 2010*):

32 Prior to commencing any repair or remediation pursuant to a loss  
 33 covered under a personal risk insurance policy, as defined in section  
 34 38a-663, or a commercial risk policy, as defined in section 38a-663, the  
 35 person who will perform the repair or remediation shall provide the  
 36 insured with a written notice that (1) indicates the scope of the work to  
 37 be completed and the estimated total price, (2) includes a statement  
 38 that such person represents such person's own interests, and (3)  
 39 includes a disclosure, if applicable, that such person has received work  
 40 directly from the insurer. Such notice shall not be required for (1) any  
 41 repair of an automobile that is subject to this chapter, or (2) any repair  
 42 that is subject to chapter 400. As used in this section, "remediation"  
 43 includes, but is not limited to, cleaning services.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>October 1, 2010</i>	38a-723
Sec. 2	<i>October 1, 2010</i>	38a-724
Sec. 3	<i>October 1, 2010</i>	38a-313a

***Statement of Purpose:***

To require that only public adjusters prepare or submit a property claim or negotiate such claim on behalf of the insured and to specify additional disclosure requirements in the written notice provided by a person performing repair or remediation work under a personal or commercial risk policy.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*